

Exhibit G

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Page 1

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE DISTRICT OF PUERTO RICO
3
4
5 In Re:)
6 THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD) PROMESA TITLE III
7 FOR PUERTO RICO) Case No.
8 as representative of) 17-BK-03283 (LTS)
9 THE COMMONWEALTH OF PUERTO RICO, et. al,)
10 Debtors.)

11)
12 In Re:)
13 THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD) PROMESA Title III
14 FOR PUERTO RICO) Case No.
15 as representative of) 17-BK-03566 (LTS)
16 THE EMPLOYEES RETIREMENT SYSTEM OF THE)
17 GOVERNMENT OF THE COMMONWEALTH OF PUERTO RICO,)
18 Debtor.)

19)

20

21 CONFIDENTIAL
22 Transcript of Luke Corning

23

24 Reported by:

25 LORRAINE B. ABATE, CSR, RPR

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2 MR. RAIFORD: Can we go off the record
3 for a second.

4 THE VIDEOGRAPHER: The time is
5 approximately 9:43 a.m. and we're going off the
6 record.

7 (Discussion off the record.)

8 THE VIDEOGRAPHER: The time is
9 approximately 10:03 a.m. This begins media 2.
10 We're back on the record.

11 MR. RAIFORD: So counsel had a
12 discussion off the record that I'll try to
13 summarize here.

14 Based on the previous ERS bondholder
15 depositions, it is the Retiree Committee -- and
16 I'm speaking for the UCC and the government
17 parties as well, our understanding that any
18 question that I ask regarding any communication
19 Pentwater had with counsel regarding the ERS
20 bonds you will instruct the witness not to
21 answer?

22 MR. PAPEZ: Yeah, that is correct. We
23 will be instructing the witness not to reveal
24 communications that Pentwater had with counsel
25 on the grounds that those would be

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2 attorney-client communications.

3 MR. RAIFORD: And that would include any
4 questions that I ask regarding whether Pentwater
5 learned of the argument that the ERS bondholders
6 were issued invalid under the ERS enabling act
7 from counsel, you are going to instruct him not
8 to answer those questions as well?

9 MR. PAPEZ: Yes.

10 MR. RAIFORD: And that you're not going
11 to make me go through the exercise of asking
12 those questions but you are in fact instructing
13 him not to -- you are instructing him not to
14 answer?

15 MR. PAPEZ: Right. So we're -- we will
16 assert the attorney-client privilege and
17 instruct the witness not to answer questions
18 that would seek to divulge communications that
19 Pentwater had with counsel about any topics,
20 including communications, to the extent they
21 occurred, regarding whether the bonds were
22 issued ultra vires.

23 BY MR. RAIFORD:

24 Q. And, Mr. Corning, I'm assuming that if
25 you are given the instruction not to answer, you

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2 would in fact not answer; is that correct?

3 A. Yes.

4 MR. RAIFORD: And then I guess the last
5 thing is that we are all, both Jones Day, the
6 committees and the government parties, and
7 anybody else in the room, is hereby reserving
8 their rights on this issue to argue this later
9 in front of the Court.

10 MR. PAPEZ: Yeah, that's fine.

11 MR. RAIFORD: Thanks, Matt. I
12 appreciate that.

13 BY MR. RAIFORD:

14 Q. So backing up a little bit, when the
15 Pentwater funds purchased ERS bonds, did they
16 purchase the -- their interest in the bonds in the
17 open market?

18 A. Yes.

19 Q. And --

20 A. As far as I understand the open market
21 just to be through trading desks.

22 Q. -- can you go into a little more, for us
23 novices, exactly how that works in a little more
24 detail.

25 A. There are financial institutions that

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2 bonds for a long time, a significant amount of time.

3 There were public pleadings where we
4 argued back and forth about whether the bonds were
5 ultra vires, whether they were invalidly issued, all
6 that kind of stuff.

7 So I'm wondering, at the time in [REDACTED]
8 of [REDACTED] when Pentwater first purchased an ERS bond,
9 was it aware that there had been a challenge to the
10 validity of ERS bonds?

11 MS. PEREZ: Objection.

12 To the extent your answer would reveal
13 attorney-client communication, I instruct you
14 not to answer.

15 A. I suppose it would -- even if -- even if
16 the answer is no, I can't answer the question.

17 MR. PAPEZ: You can answer that yes or
18 no if -- without revealing attorney-client
19 communications.

20 Q. I'm not asking how you know. I'm just
21 asking did you know at the time Pentwater first
22 purchased its first ERS bond, was it aware that there
23 had been challenges to the validity of ERS bonds?

24 A. My recollection is I did not understand
25 that.

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2 Q. And when did you -- again, I'm not
3 asking how you know, who told you -- when did you
4 first become aware that there was a challenge to the
5 validity of the ERS bonds?

6 A. I first heard about it, I suppose, more
7 superficially, at the -- some point when the UCC
8 filed -- I think it was the UCC -- filed a claim.

9 MR. PAPEZ: Objection.

10 Q. So I believe that would have been in the
11 spring of '19. Does that sound accurate?

12 A. I don't recall the exact date.

13 Q. But your recollection is that you first
14 became aware of the UCC publicly filing a claim
15 objection to the ERS bonds or the claimant's position
16 in the ERS bonds?

17 A. Correct.

18 Q. Did you become aware of that filing on
19 your own?

20 MR. PAPEZ: You can answer that yes or
21 no.

22 A. No.

23 Q. So someone made you aware, someone
24 outside of the Pentwater family, made you aware of
25 the UCC's filing?

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2 MR. PAPEZ: Sure.

3 THE VIDEOGRAPHER: The time is
4 approximately 12:08, and we're going off the
5 record.

6 (There was a recess taken.)

7 THE VIDEOGRAPHER: The time is
8 approximately 12:11 p.m., and we're back on the
9 record.

10 BY MR. RAIFORD:

11 Q. So we have spoken about people you've
12 spoken to to prepare for today's deposition. We've
13 talked about documents you reviewed to prepare for
14 today's deposition.

15 Did you do anything else to prepare for
16 today's deposition?

17 A. I don't believe, other than the things
18 we've discussed.

19 MR. RAIFORD: Thank you. And Matt, I
20 guess we are done. Our position is that we are
21 holding the deposition open. We reserve our
22 rights to bring a motion to compel if we need
23 to, to resolve some of our differences, but with
24 that for-the-record statement, I have no further
25 questions and thank you for your time.